



2021

HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION GUIDELINES

For
CHDO Cycle

Nebraska Department of Economic Development
HOME Investment Partnerships Program

NEBRASKA
HOUSING AND COMMUNITY
DEVELOPMENT

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INTRODUCTION & OVERALL HOME CHDO PROGRAM INFORMATION

The Nebraska Department of Economic Development's (DED or the Department) HOME Investment Partnerships Program (HOME) is intended to:

1. Address housing conditions related to community economic development needs;
2. Expand equal housing opportunities;
3. Create public/private partnerships to address housing needs holistically (linking housing with supportive services to promote economic self-sufficiency and family preservation); and to
4. Promote and advance the goals of Nebraska's 2020-2024 Consolidated Plan for Housing and Community Development.

The State of Nebraska's HOME Program is funded by the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME).

DED's role in HOME projects is as an investor and a partner. As an investor, DED is seeking quality applications in order to select projects that will provide the best investments of State and federal resources to promote affordable housing. As a partner, DED is interested in providing input as early as possible in project design and also in working closely with the awarded applicants in order to address any obstacles encountered during project development and implementation.

In order to apply for HOME funds, it is important for applicants to review the 2020 – 2024 Comprehensive Plan and the 2021 Annual Action Plan (AAP), along with the full application guidelines. The Department's Comprehensive Plan and the AAP can be found at: <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>

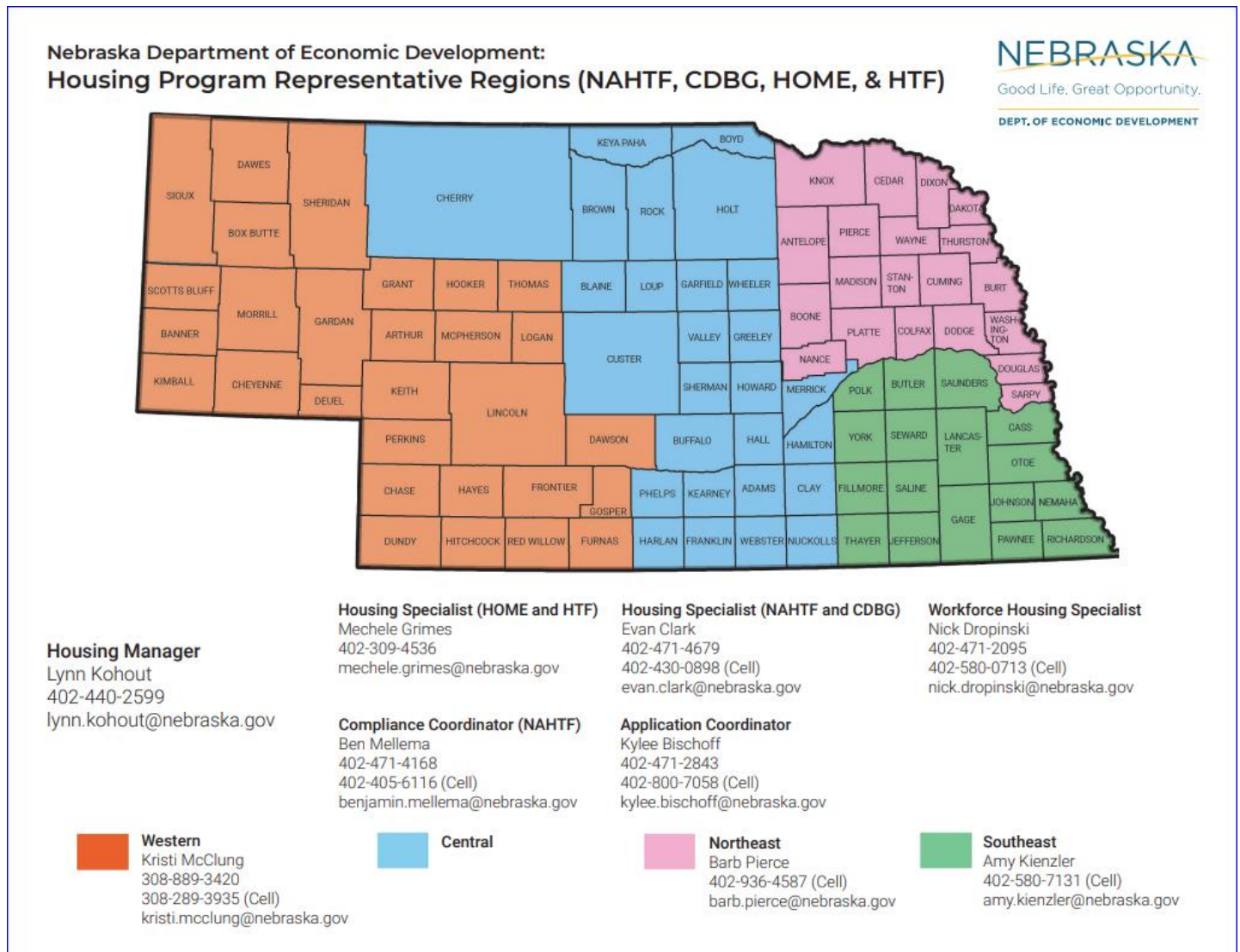
HOME CHDO Cycle Timeline

A summary of the Community Housing Development Organization (CHDO) Cycle timeline is noted below.

<u>Anticipated Date</u>	<u>Action</u>	<u>Location</u>	<u>Responsible Party</u>
July 9, 2021	Application Guidelines Available	https://opportunity.nebraska.gov/program/home/	DED
July 29, 2021	Application Workshop	Webex	DED
September 30, 2021	Full Application must be submitted by 6:00 P.M. Central Time	AmpliFund	Applicant
CHDO Program: https://ne.amplifund.com/Public/Opportunities/Details/941a0af6-860c-4c0e-876d-e6bfd33e622a			
CHDO Operating: https://ne.amplifund.com/Public/Opportunities/Details/7dbb0d8c-a9fe-495b-bfb0-bfba318fdeb5			
October 2021 – November 2021	DED Application Review		DED
December 2021	Notice of Approval & Non- Select Letters Distributed		DED
January 2022	Contract Review Meetings		DED, Applicant & Application Preparer
December 2021- December 2023	Contract Period		Awardee

Resources

The Department's Housing Team can be a resource for applicants as they work through their application. Staff coverage areas and contact information is noted below.



For specific questions regarding the HOME CHDO Application process, please contact the Department's Housing Specialist for the HOME program, Mechele Grimes, (402) 309-4536 or mechele.grimes@nebraska.gov.

Individuals who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (711) INSTATE (800) 833-7352 or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111. Additional information is at the Nebraska Relay website at <http://www.nebraskarelay.com/>. Nebraska Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or 1-888-272-5528, Spanish-to-English (711) or 1-877-564-3503. Nebraska le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por maquina en español y las conversaciones seran retransmitida en español y ingles.

Scoring Process Summary

During the application cycle, applicants will be required to submit a HOME CHDO Eligibility and Funding Application in order to apply for HOME CHDO funds. At the conclusion of the application cycle, the Department will review and score those CHDO eligibility requirements received by the required due date.

Within the CHDO Cycle, only CHDO eligible organizations are able to apply. The CHDO Cycle application process is an application that identifies the necessary HOME required information to determine whether or not an applicant is an eligible entity that may receive HOME funds for HOME CHDO-eligible activities and HOME CHDO Operating. Both applications include necessary information as required by the HOME Final Rule, and must include a proposed HOME eligible housing project that must be completed within two (2) years. The HOME CHDO Operating award must be completed within two (2) years and at the end of the contract, must be able to implement a HOME CHDO Activity.

Scoring Criteria for the HOME CHDO Program cycle and the HOME CHDO Operating Program cycle are further defined in the following sections of these guidelines, along with detailed information on the scoring process.

Once the review of the CHDO Eligibility Section is completed and the applicant has met the eligibility requirements, the application will be scored along with all other eligible applications. The top scoring applications from each CHDO Cycle will be awarded and the Department will notify and schedule a contract review meeting with those applicants who have been selected for funding. During the contract review meeting, the applicants and the Department will clarify information in the application, and applicants may be required to submit items to DED by an agreed upon date. If items requested during the contract review meeting are not received by the Department by the agreed upon date, the applicant will no longer be eligible to receive HOME CHDO funds.

All applications must score a minimum of 200 total points in order to be considered for an award.

All applications must be submitted in AmpliFund by 6:00 PM (Central Time) on September 30, 2021.

CHDO Eligibility & Requirements

Each applicant applying through the CHDO Cycle must adequately document their CHDO eligibility. Each applicant will need to certify or recertify that their organization:

1. Meets the definition of a "community development organization" Section 92.2;
2. Has a project eligible for the set-aside that the organization will own, develop, or sponsor in accordance with Section 92.300(a); and
3. Has paid staff with demonstrated experience appropriate to the role of the organization that will fulfill the project being funded.

Upload the following respected documents for the organization

Charter or Articles of Incorporation

By-Laws

Resolution of the Organization's Board of Directors

The following checklist will need to be completed within the AmpliFund application (Part 2 CHDO Eligibility) to verify CHDO eligibility. The CHDO eligibility information will need to be completed prior to an applicant completing the full application. The HOME CHDO eligibility checklist will ensure the proper setup of the CHDO organization prior to completing the application.

CHDO Requirements Checklist	Rule Citation
ORGANIZATIONAL REQUIREMENTS	
1. Legal structure	
1.1. The organization is organized under state or local law. Attachment A-Certificate of Good Standing from the Secretary of State website.	§92.2 CHDO Definition ¶ (1)
1.2. The organization has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolution, or by-laws. Attachment _ Documentation submitted to demonstrate this item: ___Charter ___Articles of Incorporation ___By-Laws ___Resolution of the Organization’s Board of Directors	§92.2 CHDO Definition ¶ (7)
1.3. The organization has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual. Document submitted to demonstrate this item: Articles of Incorporation/Charter – where can this be located in the document Section/page _	§92.2 CHDO Definition ¶ (2)
1.4. The organization is not under the control or direction by any individual or entity seeking to derive profit or gain from the organization. Documentation submitted to demonstrate this item: ___Articles of Incorporation; or ___By-Laws; or ___A Memorandum of Understanding (MOU) with any “parent” organization	§92.2 CHDO Definition ¶ (3)
1.5. The organization has one of the following IRS tax exempt statuses: 1.5.1.Exemption under 501(c)(3) or 501(c)(4); 1.5.2.Subordinate of a central nonprofit under IRC Section 905; or 1.5.3.A private nonprofit that is a wholly owned subsidiary of an organization that has 501(c)(3) or (c)(4) status and meets the CHDO definition. Documentation submitted to demonstrate this item: ___501(c)(3) or (4) ruling or current conditional designation from the IRS; or ___A group exemption letter from the IRS under Section 905 that includes the organization.	§92.2 CHDO Definition ¶ (4)
1.6. The organization is not a governmental entity (including participating jurisdiction, other jurisdiction, Indian tribe, public housing agency, Indian housing finance agency, or development authority. Documentation submitted to demonstrate this item: ___Articles of Incorporation/Charter (Located in document section_)	§92.2 CHDO Definition ¶ (5)
2. Independence/Organization Structure	
2.1.Public officials & employees of a governmental entity may comprise no more than 1/3 of the board. No more than one-third of the governing board members may be public officials or employees of a governmental entity. Documentation submitted to demonstrate this item: ___Articles of Incorporation/Charter; or ___By-Laws; AND ___Current Board Roster indicating which members, if any, are public officials or employees of government entities	§92.2 CHDO Definition ¶ (5)

<p>2.2. Officers and employees of a governmental entity cannot be officers (e.g. CEO, CFO, or COO) or employees of a CHDO. Documentation submitted to demonstrate this item and located in document section: <input type="checkbox"/> Articles of Incorporation/Charter; or <input type="checkbox"/> By-Laws; AND <input type="checkbox"/> Current CHDO Staff Roster</p>	<p>§92.2 CHDO Definition ¶ (5)</p>
<p>2.3. If the organization was created by a governmental entity, then the governmental entity that created the organization may not appoint more than 1/3 of the board members and board members appointed by the governmental entity may not appoint remaining 2/3. Documentation submitted to demonstrate this item and located in document section _____: Organization was or was not created by a government entity as evidenced by: <input type="checkbox"/> Articles of Incorporation/Charter; or <input type="checkbox"/> By-Laws; AND <input type="checkbox"/> Current Board Roster indicating which members, if any, are public officials or employees of government entities along with certifications from all board members as to government official/employee status.</p>	<p>§92.2 CHDO Definition ¶ (5)</p>
<p>2.4. If the organization was created by a for-profit entity, then 2.4.1 through 2.4.4 apply:</p> <p>2.4.1. The for-profit entity that sponsored or created the organization may not have as its primary purpose the development or management of housing, such as a builder, developer, or real estate management firm.</p> <p>2.4.2. The for-profit entity that created the organization may not appoint more than 1/3 board members, and for-profit-appointed members may not appoint remaining 2/3 of board. Documentation submitted to demonstrate this item and located in document section _____: Organization was or was not created by a for-profit entity. If organization was created by a for-profit entity, provide: <input type="checkbox"/> For-profit organization profile and Articles/By-Laws <input type="checkbox"/> CHDO's By-Laws; <input type="checkbox"/> Articles of Incorporation/Charter</p>	<p>§92.2 CHDO Definition ¶ (3)(i)</p> <p>§92.2 CHDO Definition ¶ (3)(ii)</p>
<p>2.4.3. Officers and employees of the for-profit entity that created the organization cannot be officers or employees of the CHDO.</p> <p>2.4.4. The organization must be free to contract for goods & services with others. Documentation submitted to demonstrate this item and located in document section _____: Organization was or was not created by a for-profit entity as evidenced by: <input type="checkbox"/> Articles of Incorporation/Charter; or <input type="checkbox"/> By-Laws; AND <input type="checkbox"/> Current Board Roster indicating which members, if any, are appointed by a for-profit parent entity.</p>	<p>§92.2 CHDO Definition ¶ (3)(iv)</p> <p>§92.2 CHDO Definition ¶ (3)(iii)</p>

3. Accountability to the Low-Income Community	
<p>3.1. The organization must have a designated service area (i.e. the “community” in which it produces housing). A community can be a neighborhood or neighborhoods, city, county, metropolitan area, or multi-county area (but not the entire State).</p> <p>Documentation submitted to demonstrate this item and located in document section____:</p> <p>___ By-Laws, ___ Articles of Incorporation/Charter; OR ___ Board Resolution AND ___ Map/description of service area</p>	§92.2 CHDO Definition ¶ (8)(i)
<p>3.2. At least 1/3 of the board members are: 1) low-income; 2) residents of a low-income neighborhood; or 3) elected representatives of a low-income neighborhood organization.</p> <p>Documentation submitted to demonstrate this item and located in document section____:</p> <p>___ By-Laws, ___ Articles of Incorporation/Charter; AND ___ Current Board Roster indicating which members meet their criterion along with documentation of each such board member’s qualification (e.g. certification of low-income status, documentation of home address in low income community, appointment by low income neighborhood organization)</p>	§92.2 CHDO Definition ¶ (8)(i)
<p>3.3. The organization has a formally adopted process for low-income beneficiaries to advise it on decisions regarding design, siting, development, and management of housing.</p> <p>Documentation submitted to demonstrate this item and located in document section ____:</p> <p>___ By-Laws, OR ___ Resolution, OR ___ A written statement of operating procedures approved by the governing body, AND Statement signed by the president or chief executive officer describing input sought and received on the current project proposal</p>	§92.2 CHDO Definition ¶ (8)(ii)
<p>3.4. The organization has at least 1 year of serving the community, or, if it is formed by local churches, service organizations, or neighborhood organizations, its parent organization meets this requirement. The prospective CHDO or its parent organization must be able to show one year of serving the community prior to the date of approval of HOME Funds to the organization. The organization must describe its history (or its parent organization history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other authorized official of the organization.</p> <p>Documentation submitted to demonstrate this item and located in document section ____:</p> <p>___ A statement that documents at least one year of experience in serving the community, or if newly formed, by the organization’s nonprofit parent organization.</p>	§92.2 CHDO Definition ¶ (10)

4. Capacity	
4.1.The organization has paid employees with demonstrated experience relevant to the CHDO’s role in undertaking the HOME activity to be funded. (Note: this does not include volunteers, board members, donated or shared staff, or consultants – except as described in 4.1.1. below.)	§92.2 CHDO Definition ¶ (9)
4.1.1. During the first year of an organization’s participation as a CHDO only, capacity can be demonstrated through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. Documentation submitted to demonstrate this item and located in document section __ CHDO Staff Roster, with attachments of resumes/description of experience for staffed assigned to development project	§92.2 CHDO Definition ¶ (9)
4.2. The nonprofit organization has standards of financial accountability that conform to 2 CFR 200.302 Financial Management and 2 CFR 200.303 Internal Controls, as evidenced by the Independent Audit or Certification from a Certified Public Accountant. Rule Citation: §92.2 CHDO Definition ¶ (6) Documentation submitted to demonstrate this item and located in document section __ A notarized statement by the president or chief financial officer of the organization and __ A certification from a Certified Public Accountant, OR __ A HUD approved audit summary	§92.2 CHDO Definition ¶ (6)
CHDO ROLE	
5. CHDO set-aside project CHDOs can undertake either homebuyer or rental projects, as described below, with CHDO set-aside funds:	
5.1. Homebuyer projects in accordance with §92.254 To qualify under CHDO set-aside, must meet either 5.1.1 and 5.1.2:	
5.1.1. Developer: Housing for homeownership is “developed” by the community development housing organization if the community housing development organization is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families in accordance with § 92.254 or	§92.300(a)(6)
5.1.2. To be the “developer” the community development housing organization must arrange financing of the project and be in sole charge of construction. The community housing development organization may provide direct homeownership assistance (e.g., down payment assistance) when it sells the housing to low-income families and the community housing development organization will not be considered a sub-recipient. The HOME funds for down payment assistance shall not be greater than 10 percent of the amount of HOME funds for development of the housing.	§92.300(a)(6)(i)
5.2. Rental projects in accordance with §92.252 To qualify under CHDO set-aside, must meet one of the following:	
5.2.1. Own: The organization is or will be owner in fee simple absolute (or will hold a long-term ground lease) for at least the period of affordability. If project involves rehabilitation or construction, organization will <u>oversee</u> all aspects of development.	§92.300(a)(2)

5.2.2. Develop: The organization is or will be owner in fee simple absolute (or will hold a long-term ground lease) for at least the period of affordability and will <u>be</u> in sole charge of all aspects of the development process.	§92.300(a)(3)
5.2.3. Sponsor: Must meet one of the following: 5.2.3.1. The organization will own and develop project that it will convey at a predetermined time after completion to a designated private nonprofit (that was not created by a governmental entity).	§92.300(a)(5)
5.2.3.2 The project will be owned and/or developed by an eligible CHDO affiliate, including: <ul style="list-style-type: none"> • A wholly owned subsidiary of the CHDO; or • A limited partnership of which the CHDO or its wholly owned subsidiary is the sole general partner; or • A limited liability company of which the CHDO or its wholly owned subsidiary is the sole managing member. 	§92.300(a)(4)
CHDO PREDEVELOPMENT	
6. CHDO pre-development loan If a project specific pre-development loan is being provided, in addition to meeting CHDO qualification listed in Items 1 – 4 above and having a set-aside eligible project under Item 5, the predevelopment loan must designate as one of following two loan types:	
6.1. TA/site control loan: The loan is for allowable costs specified in §92.301(a)(2) for planning an eligible set-aside project.	§92.301(a)
6.1.1. Document the environmental exemption under 24 CFR 58.34(a) and/or 58.35(b).	§92.352
6.2 Seed money loan: The loan is for allowable preconstruction costs specified in §92.301(b)(1) for planning an eligible set-aside project.	§92.301(b)
6.2.1 Document the environmental exemption under 24 CFR 58.34(a) and/or 58.35(b).	§92.352

CHDO OPERATING	
7. CHDO operating expenses If CHDO operating expenses are being provided, the organization must meet the CHDO qualification requirements listed in Items 1 – 4 above, or the organization must meet requirements in 1-3 and item 4.2 above and be receiving the operating funds specifically to hire staff to meet the requirements in 4.1 above. In addition, the CHDO must meet the following requirements:	§92.208(a) & §92.300(e)-(f)
7.1. The organization is funded from the set-aside for a project under development or is reasonably expected to be funded within 24 months, from the CHDO set-aside.	§92.300(e)
7.2. The operating expense funds will be used for eligible operating costs that are reasonable and necessary	§92.208(a)
7.3. Operating expense funding (including from other PJs and any Pass-Through funding) in the fiscal year will not exceed the greater of \$50,000 or 50% of the CHDO's total operating expenses in that year	§92.300(f)
CHDO CERTIFICATION	
8. CHDO Certification <input type="checkbox"/> The organization meets <u>all</u> CHDO regulatory thresholds. And one or more of the following: <input type="checkbox"/> The organization has a project that meets the project eligibility requirements of 92.300 for a reservation of CHDO set-aside funds. <input type="checkbox"/> The organization has a project that qualifies for a pre-development loan for eligible costs under 92.301. <input type="checkbox"/> The organization qualifies for Operating Expenses. As the Board President of the organization named in this application for CHDO (Re) Certification, I hereby certify that all the information contained in this application is true and correct and that accurate versions of required attachments have been provided as part of this application. I acknowledge that submission of materially false or misleading information is grounds for rejection of this application and any related project funding application. Further, I certify that the submission of this application has been approved by a two-thirds vote of the Board of Directors. Date _____ Signature _____ Printed Name _____ Title _____	

HOME CHDO PROGRAM

The following information is designed for those applicants interested in applying for HOME CHDO Program funding for CHDO eligible activities during the 2021 Program year (July 1, 2021 - June 30, 2022). All applications are due by 6 PM (Central Time) on September 30, 2021.

Basic Information

The HOME Investment Partnerships Program (HOME) is intended to:

1. Provide funds to eligible recipients for acquisition, rehabilitation, construction, and production of affordable housing to increase the supply of decent, safe, and sanitary housing for low-to-moderate income Nebraskans;
2. Promote and advance the goals of the 2020-2024 Nebraska Consolidated Plan for Housing and Community Development; and
3. Provide a mechanism to leverage private investment in the development of affordable housing.

The HOME program is funded with resources from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships (HOME) program. HUD provides detailed regulations and guidance on the required purpose, structure, and capacity of an organization in order to receive CHDO eligibility and therefore qualify to receive CHDO funds. HOME CHDO funds are to be used by State Eligible CHDOs.

The purpose of the HOME CHDO funds are to support community-based projects where the non-profit organization intends to "own, sponsor, or develop" housing. As defined in 24 CFR §92.300, an organization choosing to apply for CHDO status should take careful consideration of the restrictions outlined in these guidelines.

DED has flexibility annually on the process to be used to distribute HOME CHDO funds. The method of distribution must be approved by HUD as part of the 2021 Annual Action Plan.

The following are some examples of how CHDO funds can be distributed:

HOME Funds- available to regionally-based nonprofit 501(c)(3) or 501(c)(4) housing organizations, or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization. Proposals may include any of the following activities:

1. Purchase, Rehabilitation, and Resale, which includes acquisition, development subsidy and/or down payment assistance.
2. New construction of homes, which includes land acquisition, infrastructure, development subsidy and/or down payment assistance.

HOME CHDO Program Cycle Selection Criteria and Process

The Scoring Criteria for the 2021 CHDO Program cycle has been developed and is outlined below. All CHDO Eligibility and Funding Applications are due by 6 PM (Central Time) September 30, 2021.

The applicant will need to complete the CHDO Eligibility and Funding Application within AmpliFund. At the end of the application period the Department will review all applications submitted and determine which organizations are eligible CHDOs. If eligible for CHDO status, the applicant will be scored within the CHDO Program cycle with other eligible applications for HOME CHDO Program funds in Program Year 2021 (July 1, 2021 - June 30, 2022). The Department intends to notify all applicants of approval or non-selection of HOME CHDO Program funds in December 2021.

All applications are prepared at the applicant's expense and will be scored according to the selection matrix.

Selection Criteria Matrix	
<u>Criteria</u>	<u>Points Possible</u>
Project Design	150
Need and Impact	100
Project Financing	75
Collaboration	75
Capacity	100
Total Possible Points	500

Failure of an applicant to score a minimum of 200 total points on the application will result in the application not being funded through the 2021 HOME CHDO Program cycle.

Eligible Applicants

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in these guidelines. The Nebraska Department of Economic Development (DED or “the Department”) determines nonprofit organizations as an eligible CHDO as defined in the HOME Investment Partnerships Program 2013 Final Rule Subpart A, §92.2.

Applicants submitting a HOME CHDO Program application are not eligible to apply for a HOME CHDO Operating Program application.

Eligible Activities

State of Nebraska Department of Economic Development Reference HUD 24 CFR 92.300; 24 CFR 92.252 and 24 CFR 92.254.

The website link for CHDO eligible activities under 24 CFR Part 92.300 is: <https://www.hudexchange.info/programs/home/topics/chdo/#policy-guidance-and-faqs>. Once on the website, click 24 CFR 92.300 link and scroll down to Subpart G – Community Housing Development Organizations and click on the section number to review the CHDO information.

Eligible Activities Include:

- Assisting homebuyers with purchasing newly constructed housing developed by the CHDO;
- Assisting homebuyers with purchasing housing that was purchased and rehabilitated by the CHDO;
- Developing newly constructed affordable housing; and
- Purchasing an existing building and rehabilitating it for use as affordable housing.

Ineligible Activities

Any activity not specifically authorized under Eligible Activities is ineligible to be carried out with HOME Program Funds. This section further identifies ineligible activities:

1. Furnishings and personal property not an integral structural fixture including the purchase of equipment, fixtures, and motor vehicles;
2. Mobile homes, as defined by the Department;
3. The following activities, if not directly related to eligible housing activities including, but not limited to: housing education, acquisition of property and easements, public facilities development or improvements, relocation, clearance, and demolition; or
4. Properties financed or properties that will be financed with Low-Income Housing Tax Credits are not eligible. Projects that are seeking (but have not received) a Low-income Housing Tax Credit allocation may apply to the Nebraska Investment Finance Authority (NIFA) in the NIFA/DED Annual LIHTC set-aside Application Cycle.

Eligible Costs

The following is a list of eligible activities under the HOME Program:

- **New Construction:** HOME funds may be used for new construction of housing. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.
- **Rehabilitation:** This includes the alteration, improvement, or modification of an existing structure. Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure. *Conversion*, a type of Rehabilitation, is changing the use of an existing structure to one of affordable residential housing. Units cannot be added beyond the building envelope.

- **Site Improvements:** Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer, and water lines, etc.) where none are present. Building new, off-site utility connections to an adjacent street is also eligible.
- **Acquisition of Property:** Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible. This includes direct assistance to homebuyers.
- **Acquisition of Vacant Land:** Acquisition of vacant land is allowed. The use of the land must be protected by a restrictive covenant ensuring that the only eligible future use is housing for income-qualified households.
- **Acquisition and/or Acquisition with Rehabilitation:** Funds may be used to acquire a vacant building or building not currently being utilized for rental housing and adapt the building to residential multi-family housing. The acquisition price must be less than or equal to the value identified in an independent appraisal.
- **Developer Fee:** Developer fee must be reasonable. These costs include: finance-related costs; credit reports; title binders and insurance; surety fees; recordation fees; transaction taxes; legal and accounting fees including: cost certification; appraisals; environmental reviews; builders' or developers' fees; architectural, engineering and related professional services; homebuyer counseling; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects.

Grant Amounts & Contract Period

HOME funds reserved for CHDO activities through the CHDO Program cycle is \$1,560,000, with the three highest scoring eligible applicants being recommended for funding. Each eligible applicant can apply for a maximum activity grant amount of \$500,000 and up to \$20,000 in Organizational Operating, for a total of no more than \$520,000 per project. Contracts will be 24 months from funding approval date/announcement.

DED reserves the right to fund or not fund applications and to exceed the suggested maximums

Supplemental Information

Timely Production and Occupancy of Assisted Housing

The HOME 2013 Final Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within four years of commitment.** Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [§92.205(e)(2)]
- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion;** if not, PJs must repay HOME funds for the vacant units. Note: For units that remain vacant six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD. [§92.252]
- **A homebuyer unit must have a ratified sales contract within nine months of construction completion,** or the PJ must either convert it to a HOME rental unit or repay the full HOME investment. [§92.254(a)(3)]
- **CHDO set-aside funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation.** The PJ can no longer "reserve" CHDO funds for projects that will be identified at a later date. [§92.2 Commitment, §92.300(a)(1)] CHDO set-aside funds must be expended within 5 years of when the PJ receives its formula allocation. [24 CFR §92.500(d)(2)(C)]

Available Online HOME CHDO Trainings

Building HOME Online Training – engaging, self-paced training when you need it. Take the first three modules in sequential order. These core modules lead you through a track of program-wide basics. Completion of the first three modules in the sequenced order is a prerequisite for taking the remaining modules. Module 8 is the CHDO Module that is highly recommended to review. Foundational training and guidance including notices, HOMEfires and guides can be found here on the HUD Exchange: [Building HOME Online Training - HUD Exchange](#)

CHDO Opportunities in HOME – Introduction

Self-paced online training is a comprehensive introduction and an important refresher on regulatory requirements for Community Housing Development Organizations (CHDOs) under the HOME Investment Partnerships Program (HOME). Ginny Sardone, Director, Office of Affordable Housing Programs, covers the latest requirements codified in the 2013 HOME Rule. You will need to have a HUD Exchange account to access this training.

It includes discussion of:

- CHDO set-aside and the relationship between participating jurisdictions (PJs) and CHDOs
- CHDO organizational structure
- CHDO eligible activities including both for-sale and rental housing
- CHDO as owner, sponsor, or developer of housing
- Incentives a PJ may provide to a CHDO, including operating, predevelopment assistance, and CHDO proceeds

The course is interactive and includes a mix of audio and video presentations, learning checks, and links to related HOME resources. Participants can receive credit for the course in HUD Exchange Learn by passing a final quiz that reinforces key regulatory requirements applicable to CHDOs and their projects.

Verification by DED & Submittal Instructions

At the conclusion of the application period, the Department will conduct a Threshold Review of all CHDO program applications received. Clarifying information may be requested of applicants. When providing clarifying information, applications may not be changed and/or altered. All HOME applications are reviewed to determine that Threshold Review criteria is met, and the application can be considered for scoring and award.

Threshold Factors and grant size limits

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

State Certified/Recertified CHDOs will be selected through the HOME CHDO Program application process. The grant program costs maximum is \$500,000, and the organizational operating maximum is \$20,000.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will certify/recertify nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The following criteria will be verified by DED:

- HOME CHDO applicant's eligibility on sam.gov.
- Applicant is eligible (non-profit: proof of non-profit status and Certificate of Good Standing).
- The activity, project and property type are eligible and comply with HOME regulations.
- Applicant has addressed all outstanding compliance and/or monitoring issues.
- The amount of HOME funds invested per unit does not exceed the program limits and is at least \$1,000/unit.
- Applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances.
- **FOR CHDO PROJECTS ONLY - If the project involves new construction and/or subdivision infrastructure development** (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved), please attach a development pro forma detailing incremental development.
- Note: Projects involving New Construction and/or Subdivision Infrastructure will be required to complete the following steps prior to a Notice of Release of Funds or prior to a stage mutually agreed upon by the applicant and DED during contract negotiations. These steps include:
 - The site(s) must be reviewed and approved by DED housing staff prior to any activity occurring, including land purchase. The awardee must request a site review from their DED Program

Representative no later than 60 days prior to purchase.

<https://opportunity.nebraska.gov/program/home/#guidelines>

- Site Plan and Preliminary Architectural Designs must be reviewed and approved by DED Program Representative prior to any activity occurring, including land purchase.
- A final Development Pro Forma based upon the approved site, site plan, and preliminary architectural designs must be reviewed and approved by the DED Program Representative prior to any activity occurring, including land purchase.

- If you are proposing a lease-purchase project, attach the proposed lease agreement.
- **Fair Housing** – FOR CHDO HOUSING DEVELOPMENT PROJECTS ONLY provide an explanation of the Fair Housing Act and Section 504 accessibility requirements applicable to the project. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met and/or be exceeded. Requirements are not limited to project design. DED may consult other agencies to review the project for compliance with these requirements.
- Applicant is current with all reporting requirements of existing awards throughout the Department.
- Applicant has shown significant progress (including expenditures through drawdowns) on prior HOME CHDO awards. In general, DED will review projects that have been previously funded.
- Applicant successfully completed the Eligibility Certification or Re-certification process.
- All required documents are uploaded and reviewed for content and meet program requirements.
- Pro forma is uploaded in excel format.
- Budget is complete, clear, and correct.
- All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with writing binding commitments at application.
- All monitoring findings have been cleared
- Compliant with all current contracts
- Conformance with all original project timelines or has obtained department approvals for revisions or amendments to their project timelines
- For all previous funded projects, environmental clearances have been obtained and scope of work as begun
- Applicant has not existing contracts in which project completion reports and data have not been submitted and accepted by DED within 60 days of a final draw
- Applicant has no current contract in which funds have not been drawn for 6 months
- Applicant with contracts in their twenty-fourth (24th) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated
- Applicant has no outstanding or unresolved contractual, property or beneficiary-related compliance issues

Failure of the applicant to meet all the threshold requirements (threshold questions) will result in the Application not being scored or funded during the 2021 HOME CHDO Cycle.

All FULL APPLICATIONS must be completed within AmpliFund, the electronic application system, by 6:00 pm (Central) on September 30, 2021.

No hardcopy submissions will be accepted.

HOME CHDO Program Application Instructions

This section contains instructions for all forms and uploads to be submitted so that your application can be scored and ranked effectively. Application narratives should be thorough, concise, and within defined character limits. The Department reserves the right to verify all information and to consult with other agencies on the proposed project. All applications are prepared at the Applicant's expense.

Applications for the 2021 HOME CHDO Cycle will be submitted electronically through AmpliFund website: <https://ne.amplifund.com/Public/Opportunities/Details/941a0af6-860c-4c0e-876d-e6bfd33e622a>

AmpliFund will prompt required fields and sections, based on project activity or type. Sections designated with an “*” are required.

Applications are due September 31, 2021 by 6:00pm (Central Time). The system will no longer be available after 6:00pm (Central Time).

Below is an outline of the 2021 HOME CHDO Program Application:

***Opportunity Details**

***Project Information**

***Application Forms**

Part 01: Applicant Information and Project Details

Part 02: CHDO Eligibility & Requirements

Part 03: Project Design and Impact

Appendix's (Project Application only)

Appendix B: Development Pro-forma

Appendix E: Applicant Specific Attachments

Exhibits

Exhibit 101: Open Grants Information

Exhibit A: Notice of Public Hearing

Exhibit O1: LEP (Four Factor Analysis Limited English Proficiency

Exhibit Q1: Non-Profit or Public Housing Agency Applicant Certification

Exhibit R: Authorizing Resolution for Non-Profit Organization

Exhibit S: Determination of Level of Environmental Review

***Budget**

***Performance Plan**

***Submit**

***Opportunity Details**

The Opportunity Details section provides applicants information regarding the 2021 HOME CHDO funding cycle, including: the opportunity information, funding information, submission information, eligibility information, and additional information.

***Project Information**

Application Information

Provide the name of the proposed project, total amount of award requested, and the amount of cash match (if any) for proposed project. Total amount of award requested will then equal the total amount of HOME CHDO funds being requested plus the amount of matching funds being provided. **Matching funds are not required.**

The Department reserves the right to non-select an application at any point during the review process if the applicant does not have the full funding commitment of all other key investors prior to the application due date.

Primary Contact Information

Provide the requested information for the main contact responsible for the application.

***Application Forms**

→ **Part 01: Application Information and Project Details**

Primary Contact: For the organization applying for HOME CHDO funds, provide the name, title, and phone number.

Application Identification- Complete the Applicant Organization name, contact information, EIN # and DUNS #.

System for Award Management (SAM) Number for the organization that is applying for HOME funds is entered along with the SAM expiration date. Upload the Entity Registration Document. INSTRUCTIONS: The submission of the System for Award Management (SAM) documentation is required for all HOME applicants. To access SAM: www.sam.gov .

HOME Certifying Official -download the example "HOME Certifying Official attachment, provide the same language on your letterhead and type the name and title of the Certifying Official and date. Sign in blue ink. The Certifying Official for a non-profit or public housing authority applicant is the official authorized by the governing body to sign applications for state and federal funding. If the Certifying Official for a non-profit is not the Board President or Board Chair, attach the authorizing documentation of the governing body that allows the designated certifying official to sign the application. Upload completed form.

Preparer Information - Identify the application preparing and contact information.

Award Information If the application is approved, identify the main contact to manage the Post-Award process. The main contact is referred to as the Recipient Grant Manager.

CHDO Program Activities- Check all that apply for each application.

District Indicator - Select the primary Congressional District (check only one) where the project will primarily be located in.

Service Area - Indicate the area where the program will take place. Enter the municipalities (i.e. Village or City) that will be served by the project and the counties where those municipalities will be located. Also, enter the appropriate Congressional and Legislative District(s) information. Please indicate if project is located in an Enterprise Zone.

Type of Applicant and Household Beneficiaries- Select type of applicant. Enter the number of beneficiaries that will be served at 50%, 60%, and/or 80% of the Area Median Income, including the total number of beneficiaries served through the project.

→ **Part 02: CHDO Eligibility**
Organizational Requirements

Upload the documents that **apply to the organization** applying for CHDO funds.

Download and complete the Individual CHDO Board Member Certification for each board member currently serving with Name, Address, Name of Organization and Board Term. There are two forms, one for the board members that represent the Low Income Community or the board member that represents Public Official/Governmental Employee. Each individual board member must complete and sign (certify) at the bottom of the represented form, along with the date and printed name. Upload all signed forms as one document.

Download and complete the Board Roster. Applicants must complete the Certification of Board status and submit along with their application for CHDO certification. Please list each board member by name, then place an "X" indicating the representation that member brings to the Board. Please list on the current or approved board members. Do not list prospective board members who have not been approved to join the board. The board president must sign and date the form at the bottom. Upload to document.

Continue to scroll down the screen in Amplifund to complete the Organizational Requirements Checklist. An example of the full checklist can be found starting on page 8 of the guidelines. Reference links are included in the online application. Items with an * are required uploads and/or affirmations. Each year the CHDO organizations will need to recertify and new CHDO organizations will need to meet all the requirements of eligibility. Checklist concludes with the signature of the authorizing official attesting to the applicant certification of the CHDO requirements.

Upload the Certificate of Good Standing from the Secretary of State of Nebraska website:
<https://sos.nebraska.gov/index>

→ **Part 03: CHDO Project Design and Impact**

Address all questions specific to the project being proposed in the application. AmpliFund will prompt all required uploads during the application process.

HOME CHDO Program Application

PROJECT DESIGN – Up to 150 possible points. Character limit 13,200 (about 4 pages)

- Provide a development and management plan for carrying out the proposed housing project, within a specific time frame, from project planning, site acquisition, project construction; to marketing the units, fair housing activity and selection of beneficiaries. **Upload proposed program guidelines and how HOME CHDO proceeds or recapture funds will be invested in the project or future HOME projects.**
- ☐ Identify all project activities such as the new construction of housing units, infrastructure development, demolition, the rehabilitation of existing housing units, etc.
 - ☐ Identify type of project, target population, and where it will be located. **Upload a map of the area** below (including location amenities such as proximity to parking, public transportation stops, grocery stores, community centers, hospitals, employment centers, public schools, or other unique location amenities).
 - ☐ Define the Fair Housing Activity you intend to provide during the contract period. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met/or exceeded.
 - ☐ Identify if HOME funds will be invested to assist homebuyers with home buyer subsidy, direct down payment and/or closing cost assistance, and explain the terms of the assistance. Please reference the application instructions (page 30) for the definition of each term to determine the activity. With HOME funds – there is a difference on how the direct homebuyer assistance and the home buyer subsidy is invested in the projects.
 - ☐ Provide details on the total number of units proposed and the type of units to be constructed or rehabilitated including: Single-family units, duplexes, etc.; number of bedrooms and number of bathrooms in each unit; total number of square feet in each unit, including projected cost per square foot and sale price of new construction homes. For new construction projects: **upload the proposed architectural plans and completed DED site review.**
 - ☐ Provide a narrative of project readiness, including if the applicant has secured site control and if the property is zoned correctly for the proposed development and whether a Phase I Environmental has been completed.
 - ☐ Describe how the proposed project impacts the targeted community, region, and/or service area.

Upload:

- ☐ **Map of the proposed project area**
- ☐ **If project includes new construction the applicant must submit proposed architectural plans on 8.5 x 11 sheets to include all site plan(s), elevation drawings and schematic floor plans.**
- ☐ **DED Site visit form and all attachments**
- ☐ **Program Guidelines**
- ☐ **Program Reuse Plan – CHDO Proceeds or Recapture Provisions**

NEED AND IMPACT – Up to 100 possible points. Character limit 1,500 (about ½ page) each bullet

- Describe the local need for the proposed HOME project, how it was determined and how it provides a solution to the immediate housing needs of the area being served. Describe any interest from potential beneficiaries, including information on a waiting list.
- Describe the existing housing stock in the proposed targeted community, region and/or service area. Provide supporting documentation or website links to housing studies.
- Describe the overall employment opportunities in the project area for the persons served by the proposed HOME project.
- Identify how the applicant will measure success and impact of the project.

NEED AND IMPACT – continued

Upload:

- ☐ Housing Studies

PROJECT FINANCING – Up to 75 possible points. Character limit 9,900 (about 3 pages)

- Describe the overall project financing for the proposed **HOME CHDO project**. Be sure to include a description of all financial resources invested in the project; these may include, but not limited to: other grant resources, financing mechanisms (loans, funding pools, etc.), and leveraged funds. **Provide commitment letter(s) from all sources.**
 - ☐ Describe the funds the organization has available for equity or capital advances in housing development projects, including, but not limited to a Bank Line of Credit, a Bank Letter of Credit and/or other resources. The description should also include:
 - ☐ How they assist in the projects cash-flow and timely payment of project costs
 - ☐ Describe the terms of the funding (including any renewable terms, expiration dates, etc.)
 - ☐ Detail the organization's cash flow management processes. Explain the control processes for expenditures and discuss the regularity (how often) with which the organization experiences cash flow problems. Include reserve amount policies and whether the organization meets these reserve levels.
 - ☐ Describe how HOME funds will be invested in the project and how the HOME funds will flow in the project. See example of project flow in application guidelines beginning on page 32. Define how the HOME funds will be secured and if any HOME funds will be recaptured or if the resale option will be triggered.

Character limit 3300 (about 1 pages)

- **Organizational Operating Funds** are available for housing development projects. Explain how you will utilize the organizational operating. See application guidelines for eligible expenditures.

Upload:

- ☐ Project Financing and Credit documentation
- ☐ Most Recent Balance Sheet and Income & Expense Statement
- ☐ Other source of funds commitment letters with terms (if applicable)

COLLABORATION – Up to 75 possible points. Character limit 3,000 (about 1 page) each bullet

- Identify the relationships the applicant has with contractors, consultants and other professionals that will be beneficial to the project and how they will assist with timely completion of the proposed project. How strong are the current reputation of the CHDO and the relationship with the community or communities it serves?
- Identify if the CHDO relationship with the local government. Explain how strong the local government supports the housing activities.
- How will support from the community and partners for the proposed project create an effective project?
- Present an established process for obtaining citizens' input, gathering information and data on housing issues and a market analysis to support the housing solution being proposed by the CHDO Program requesting funds.

CAPACITY – Up to 100 possible points. Character limit 3,000 (about 1 page) each bullet

- Identify the key players and their responsibilities that will be involved in the HOME project. Describe the experience of the organization and the composition of the development team with job titles. Indicate the years of experience in their current capacity. Expand on the organization's staff responsibilities and capabilities regarding housing development, including legal and financial aspects, oversight of design and construction, marketing, client intake, and property management (if applicable). Conclude with detail of the Succession Plan for the organization. **Upload Succession Plan.**
- Describe how the board and staff work together. Is there a shared commitment to your housing development mission and shared goals? Does the board have a committee structure or other means of overseeing planning & development? If so, explain. Elaborate on how the board demonstrates the ability to make timely decisions. Describe the practices in place for managing the progress of the project.
- Explain how the organization has the capability and capacity to undertake additional projects. Include examples of the organizational management's ability to analyze and evaluate potential projects.
- **Will the CHDO Applicant be offering HUD Certified Counseling to homebuyers? If not, please identify where the homebuyers will receive their required HUD Certified Counseling.** More information can be found here: <https://www.hudexchange.info/programs/housing-counseling/the-bridge/2018-01/neighborworks/>
- Provide an inventory of the number of affordable housing units developed by your organization in the last 10 years. Include community, project type and how long the timeframe was to sell the properties. **Upload Housing Unit History for past 10 years – all sources. Identify sources**
- Does the community or communities have any non-DED funded housing projects? If so, identify the most recent (up to 5) housing projects and the units impacted per project. Include if your organization played a part in the project.

UPLOAD:

- ☐ Succession Plan
- ☐ Housing Unit History

- **Appendix B: Development Pro-Forma** - The Development Pro-Forma is applicable to purchase/rehab/resale, and/or new construction (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved). If the development pro-forma is applicable to your project – upload a Development Pro-forma detailing incremental development.
- **Appendix E: Applicant Specific Attachments** - If applicable, please include any attachments not previously included. Clearly identify each attachment name in bottom right of each page. On the scanned copy, please label each attachment name to correspond with the original submitted copy. Please include as many additional attachments as is necessary to support the Part 05: Project Design and Impact answers. Describe the attachment in the boxes for each upload.
- **Exhibit 101: Open Grants information** – List all open grants and complete each column to your best of your knowledge.

→ **Exhibit A: Notice of Public Hearing** -The required language for Notice of Public Hearing and a detailed list of the required documentation is listed as an attachment. Click on the pdf for an example of the public hearing language. The notice, official meeting minutes, sign-in sheets are all required to be uploaded.

→ **Exhibit O1: Four Factor Analysis Assessing Limited English Proficiency (LEP)** – This is a required exhibit for all applicants. To access the template and guidance for Exhibit O1, refer to pdf listed. Complete the following questions and upload requested documents.

→ **Exhibit Q1: Non-Profit or Public Housing Authority Applicant Certification** - download the attachment provided, use the language in the sample form and upload an original signature of applicant certification.

→ **Exhibit R: Authorizing Resolution for Non-profit Organization** - download the attachment provided, use the language in the sample resolution and upload an original signature or a certified copy of the resolution.

→ **Exhibit S: Determination of Level of Environmental Review** – Provide a project description with the follow items included in the description:

Recommended Format

Who – grantee name by SOS filings

Funding source and dollar amounts

Funds will be used to _____ within (list service area)

The project will primarily benefit _____ at our below ___ % AMI

Total project costs estimated to be _____ (breakdown funding by sources)

HOME funds will be used as

No residents will be displaced.

There will no residential persons displaced as a result of these activities

Project should be completed within two years.

Example using format

CHDO Applicant legal name is requesting \$xxx,xxx of HOME Investment Partnerships Fund (HOME) through the Community Development Housing Organization (CHDO) Cycle for the purpose of a homebuyer development project/organizational operating (select). The funds will be used to (list activity- new construction with development subsidy/purchase, rehab, resale i.e) of (number of units) within (list community(ies) or service area.

Identify if the sites have been identified and if a Tier II will be submitted.

The project will benefit (#) low-income families at or below 80% AMI as their primary residence.

The total project costs is estimated to be \$xxx,xxx (HOME), \$xxx,xxx – list all other financial resources involved in the project.

No residents will be displaced. The project will be completed within two years.

Any questions regarding the project description please contact your housing program representative. Contact names and numbers are listed on the Housing Team map on page 6.

Select a determination with respect to the Project.

Continue to page 29 for further instructions to complete online application.

HOME CHDO OPERATING PROGRAM

The following information is designed for those applicants interested in applying for HOME CHDO Operating Program funding during the 2021 Program Year (July 1, 2021 – June 30, 2022). All applications are due by 6 PM (Central Time) September 30, 2021.

Basic Information

The HOME program is funded with resources from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships (HOME) program.

Applications for the 2021 HOME CHDO Operating Program will be submitted electronically through AmpliFund <https://ne.amplifund.com/Public/Opportunities/Details/7dbb0d8c-a9fe-495b-bfb0-bfba318fdeb5>

AmpliFund will prompt required fields and sections, based on project activity or type. Sections designated with an “*” are required.

HOME CHDO Operating Program Cycle Selection & Process

The Scoring Criteria for the 2021 CHDO Operating Program cycle has been developed and is outlined below. All CHDO Eligibility and Funding Applications are due by 6 PM (Central Time) on September 30, 2021. The applicant will need to complete the CHDO Eligibility and Funding Application. At the end of the application period the Department will review all applications and determine which organizations are eligible CHDOs. If eligible for CHDO status, the application will be scored within the HOME CHDO Operating Program cycle with other eligible applications for CHDO Operating funds in Program Year 2021 (July 1, 2021 - June 30, 2022). The Department intends to notify all applicants of approval or non-selection for HOME CHDO Operating Program funds in December 2021.

All applications are prepared at the applicant's expense and will be scored according to the selection matrix.

Failure of an applicant to score a minimum of 200 total points on the application will result in the application not being funded during the 2021 HOME CHDO Operating Program cycle.

Eligible Applicants

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in these guidelines. The Nebraska Department of Economic Development (DED or “the Department”) determines nonprofit organizations as an eligible CHDO as defined in the HOME Investment Partnerships Program 2013 Final Rule Subpart A, §92.2.

Applicants submitting a HOME CHDO Operating Program application are not eligible to apply for a HOME CHDO Program application.

Eligible Activities

State of Nebraska Department of Economic Development Reference HUD 24 CFR 92.300; 24 CFR 92.252 and 24 CFR 92.254. The website link for CHDO eligible activities under 24 CFR Part 92.300 is:

Selection Criteria Matrix	
<u>Criteria</u>	<u>Points Possible</u>
Need	200
Impact on Housing Need	100
Sustainability	100
Financial Management	100
Total Possible Points	500

<https://www.hudexchange.info/programs/home/topics/chdo/#policy-guidance-and-faqs>

Once on the website, scroll down to Subpart G – Community Housing Development Organizations and click on the section number to review the CHDO information.

CHDO Operating expenses mean reasonable and necessary costs for:

- The operation of a community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials; and supplies.

Ineligible Activities

Project-specific expenses are not eligible. These expenses include costs directly related to implementing a housing project or program such as staff salaries to accept and review applications for a homebuyer assistance program. On-going rental project operating expenses are not eligible for these funds.

Eligible Costs

Within the CHDO Operating funding category, the Department may award funding for eligible operating expenses (not project related):

1. Assist the organization in maintaining the current level of production and/or development of affordable housing;
2. Assist the organization in increasing their capacity; including hiring new staff; and
3. Assist the organization in expanding their services or coverage area.

Grant Amounts & Contract Period

HOME funds reserved for CHDO activities through the CHDO Operating Program cycle is \$100,000, with the two highest scoring eligible applicants being recommended for funding. The maximum grant amount request is \$50,000.

If awarded a CHDO Operating grant, the CHDO organization will not be expected to have the capacity to have a CHDO Project within 24 months from receiving the CHDO Operating grant. Contracts will be 24 months.

Verification by DED and Submittal Instructions

Please reference back to pages 20 - 21 for verification process, submittal instructions for Part 1 - Part 2 and grant layout. CHDO Operating application process is similar to the CHDO Program application.

HOME CHDO Operating Application

→ Part 3: CHDO Operating Design and Impact

Address all questions specific to the CHDO Operating project being proposed in the application. AmpliFund will prompt all required uploads during the application process.

NEED – Up to 200 possible points. Character limit 6,600 (about 2 pages)

- Describe the organization's need for CHDO Operating Funds. Specifically, address the CHDO's financial need for this assistance in order to assure that the HOME-funded project can be successfully completed, and how not receiving operating assistance would create a hardship for the organization.
 - ❑ Identify 5-7 measurable goals the applicant intends to achieve through the financial support of the CHDO Operating Funds.
 - ❑ Describe how the CHDO Operating Funds will impact the organization.
 - ❑ Describe the organization's service area.

NEED- Continued

UPLOAD:

- ☐ **Map of service area**

IMPACT ON HOUSING NEED – Up to 100 possible points. Character limit 2,000 (about ½ page) each bullet

- Describe the overall impact your organization has on the service area.
- Identify how the financial support of the CHDO Operating Funds will assist in addressing the housing need in the service area.
- Based on the measurable goals identified in Need, identify how achieving these goals will impact the housing need in the service area.

SUSTAINABILITY – Up to 100 possible points. Character limit 2,000 (about ½ page) each bullet

- Describe how the communities within the service area support the organization (examples may include volunteer activities, board member involvement, financial contributions, etc.) and how the community support builds sustainability of the organization.
- Describe the established relationships the applicant has developed that are critical to ensuring the success of the organization.
- Identify the applicant's goals for developing new relationships in an effort to build the organization's capacity and sustainability through the CHDO Operating Funds.
- Explain how the CHDO Operating fund will prepare the organization for future success.

Upload:

- ☐ **Succession Plan**

FINANCIAL MANAGEMENT – Up to 100 possible points. Character limit 2,000 (1/2 page) each bullet

- Identify how the organization plans for its financial needs, including other resources available to the organization.
- Identify the policies and procedures the organization has in place to ensure internal controls and accuracy.
- Identify how the organizations financial information is reported, reviewed, and analyzed to address the needs of the organization.
- Describe the experience of the organization and the composition of the development team with job titles. Indicate the years of experience in their current capacity.

UPLOAD:

- ☐ Most Recent Balance Sheet and Income & Expense Statement
- ☐ Resumes and/or biographies for development team members associated with the proposed CHDO project, include job descriptions and/or responsibilities for each team member.

Refer back to page 24 - 25 for explanation of Exhibits

Budget Template

When completing the Budget Template, enter the amount of HOME funds being requested and any matching funds into the applicable category. DO NOT ENTER LEVERAGED OR IN KIND FUNDS. For each category that funds will be utilized, enter the specific line items or activity the funds will be used for. Total Budgeted column will equal Grant Funded + Cash Match columns. When entering line items, applicants should be as specific as possible for costs and provide a description.

Program Costs (Development Projects Only)

List for each activity the major costs by line item. Major line item costs for developer fee include “soft” costs such as providing homebuyer education; architectural, engineering or legal fees; appraisal costs; housing inspection fees and other expenses to carry out the housing program. Program costs are the “hard” costs of acquisition, rehabilitation or construction costs. The total line item costs for each activity must equal the totals by activity shown on Part II.

Organizational Operating

The organizational operating budget includes those costs that are administrative in nature and are attributable to the receipt of the award. Common line item costs in this activity are environmental review, audits, labor standards enforcement, preparation of required grant progress reports and draws, etc. It is acceptable to use salaries and benefits as line item costs. However, the specific duties that are to be performed should be noted under the salaries and benefits line item.

Proposed Funding Source

All budget items should indicate the proposed source of funds for the item. DED understands that the application budget and financing is a proposal only and may vary somewhat during project implementation. Nonetheless, a budget indicating both sources and uses must be submitted. Projects with phases of activity such as purchase of an existing home by a developer, rehabilitation of the home, and resale of the home must indicate the use and source of funds for costs in each phase. For new construction, submit a single-family housing development pro forma in conjunction with the project budget and financing to demonstrate the sources, uses, and multiple phases in a project. Please refer to eligible costs in program guidelines for each activity.

Performance Plan

Applicants must complete the Performance Plan with details specific to the proposed project. When completing the Performance Plan, the more details that can be provided about the project, methods and strategies for completion of the identified goals, and the information about persons responsible for the goals will assist with implementation and DED application review process.

Leveraged Funds - Required for all applications. Provide the total proposed amount of leveraged funds.

Completion Dates - Required for all applications. Enter the completion dates for all identified goals.

Applicant Specific Goal(s) (Optional) - Enter any additional goals applicant plans to accomplish.

Submit

Once applicant has completed all sections and forms, application can be downloaded and reviewed. When ready to submit, “Submit” button can be clicked. Applications will not be able to be changed after submitting.

Applications must be submitted by 6:00 P.M. (Central Time), on September 30, 2021. The electronic system will not allow applications to be submitted past this time.

Uploads, Definitions, Additional Resources

Program Guidelines and Reuse Plan should include all items identified in applicable checklist. When submitting Program Guidelines and Reuse Plan, the Applicant should upload the completed form in addition to Program Guidelines. See Comparison of Program Income, CHDO Proceeds & Recaptured Funds Requirements chart – pages 31 - 32.

Proposed Architectural, Engineering, or Site Plans- If project includes new construction, the applicant must submit proposed architectural plans on 8.5 x 11 sheets to include all site plan(s), elevation drawings and schematic floor plans.

Development Pro-Forma is applicable to purchase/rehab/resale, rental, new construction and/or subdivision infrastructure development projects. A purchase/rehab/resale, homebuyer new construction, or subdivision infrastructure development project may use their own Development Pro-Forma. **The Development Pro-Forma must be uploaded as an excel spreadsheet.**

Leveraged Funds Documentation - Provide documentation verifying amount of funds being leveraged for proposed project. For example, provide a letter from a bank detailing the loan amount and terms.

Matching Funds Documentation - Provide documentation verifying amount of matching funds for proposed project. For example, provide a letter from a donor detailing amount of funding contributions.

Property Portfolio - Describe the applicant's portfolio of projects/properties that evidence competent management and oversight. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Public Hearing - documentation should include a copy of the Notice of Public Hearing posting, a copy of the sign in sheet, including all in attendance, and a copy of any public comments received. If no public comments were provided, applicant must provide a statement that no comments were provided. Applicant must use the Notice of Public Hearing template.

Balance Sheet -Provide the most recent board approved balance sheet.

Income & Expense Statement -Provide the most recent board approved income & expense statement.

Terms for Homebuyer Activities:

Development Subsidy – difference between the cost to develop the home (build or acquire and rehabilitate) and the appraised value of the home that will not be paid by the homebuyer.

Direct Homebuyer Assistance – subsidy provided for the costs of purchasing the home, including closing costs and fees. Direct Homebuyer Assistance will trigger resale provisions.

Gap Subsidy – the difference between the value of the home and the purchase price of the home (a form of direct homebuyer assistance).

Newly constructed homes – a new home is one that has not been previously occupied.

Previously Existing Homes – an existing home is one that has been previously occupied.

Comparison of Program Income, CHDO Proceeds & Recaptured Funds Requirements

	Program Income	CHDO Proceeds	Recaptured Funds
Definition	The gross income directly generated from the use of HOME funds, including loan repayments, interest, sales and other proceeds	Proceeds resulting from a CHDO set-aside project, if the PJ permits the CHDO to retain and reuse the funds (otherwise these must be returned as program income)	HOME funds recovered when homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period under the terms of a recapture deed of trust
Examples	Proceeds from the sale/lease of property, rental income from property owned by a State Recipient or subrecipient, repayment of loan principle or interest, or proceeds from the sale of loans	Net proceeds from the sale of property, principle and interest received from the payment on HOME loans	Funds repaid under the terms of a recapture deed of trust as a result of a homebuyer property being sold within the affordability period
(Re)use of Funds	<p>Program income must be used for HOME-eligible activities and meet all HOME rules.</p> <p>Program income never loses its identity as program income regardless of the number of times it is reinvested in projects.</p>	CHDO proceeds must be used for HOME-eligible or other housing to benefit low-income families, as approved by the PJ	Recaptured funds must be used for HOME-eligible activities and meet all HOME rules
Who can reuse the funds	<p>PJ (Department) or a subrecipient (or State Recipient), if permitted by agreement</p> <p>If subrecipient allowed to reuse by agreement, must have program income reuse plan approved by the Department.</p>	<p>CHDOs, if permitted by agreement, otherwise returned to PJ as program income</p> <p>The Department must approve the use by the CHDO</p>	<p>PJ or subrecipient (or State Recipient), if permitted by agreement</p> <p>The Department must approve the use of the recaptured funds as part of program income reuse plan</p>

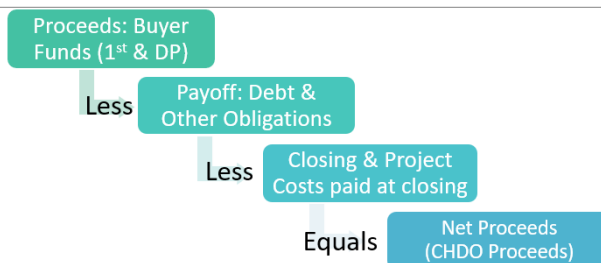
Comparison of Program Income, CHDO Proceeds & Recaptured Funds Requirements

	Program Income	CHDO Proceeds	Recaptured Funds
Administrative requirements	<p>Funds may be used or accumulated during a program year and committed for reuse in the next program year</p> <p>Program income must be reported to the Department</p> <p>The Department may allow awardees to use up to 10% of the program income for administrative costs</p>	<p>CHDO proceeds received and reused must be reported to the Department</p>	<p>Funds may be used or accumulated during a program year and committed for reuse in the next program year</p> <p>Recaptured funds must be reported to the Department</p> <p>Recaptured funds may not be used for administrative costs</p>

HOME Project Funds need to demonstrate in their budgets how the HOME Funds will flow through the project and either utilize the funds in future projects or as buyer subsidy. See charts below to explain further. The HOME CHDO Application Workshop will go into further detail.

Proceeds Must Be Documented

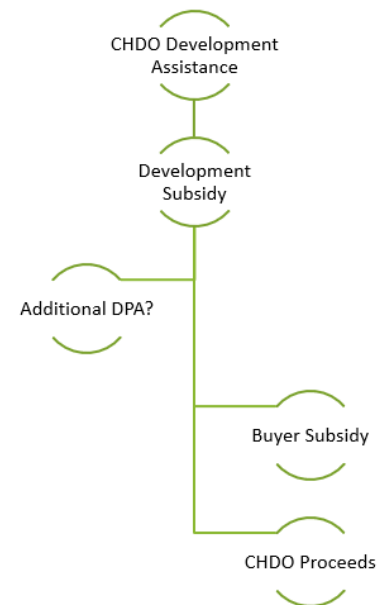
92>300(a)(6)(ii): Agreement must state whether the proceeds must be returned to the PJ or may be retained by the CHDO, and whether the proceeds are to be used for HOME-eligible activities or other housing activities to benefit low-income families. PJ must monitor first reuse of proceeds.



CHDO Funding Reconciliation

CHDO funds allocated to:

1. **“Development Assistance to CHDO”** – Funds awarded by PJ for development of units
2. **“Development Subsidy”** – Eligible development costs in excess of sales price (fair market value) (aka “Appraisal Gap”)
3. **“Buyer Subsidy”** – Assistance used to help LI buyer purchase the property (aka “Affordability Gap”)
 - a. “Pass-through” assistance from developer
 - b. Additional HOME DPA at closing (limited to 10%)
4. **“CHDO Proceeds”** – Net cash proceeds from sale after all closing costs and outstanding project costs are paid (aka “Development Financing Gap”)
 - a. Roll forward to next CHDO unit in current project
 - b. Use for other LI housing approved by PJ



Tracking/Labeling HOME Assistance: Recapture

